

HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL

OF COUNSEL
WILLIAM G. CONLY

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

August 25, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone and Cotton Valley Formation, Reservoir
A, LOGANSFORT FIELD, DeSoto Parish, Louisiana.

Dear Sir:

PEOPLES ENERGY PRODUCTION-TEXAS, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone and to the Cotton Valley Formation, Reservoir A, in the Logansport Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize four (4) alternate unit wells for CV RA SUB, two (2) alternate unit wells for CV RA SUG, and a unit well and an alternate unit well for CV RA SUF, at the locations shown on the attached plat.
2. To approve an exception to the spacing provisions of Office of Conservation Order No. 28-W, effective April 22, 1980, for the location of any of the proposed wells, as shown on the attached plat, which does not comply with these spacing provisions.
3. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
4. To permit the operator of CV RA SUB, CV RA SUG and CV RA SUF, to produce the allowables assigned to these units from either the unit well, from any alternate unit well, or from any combination of such wells, at the option of the operator.
5. To permit applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, and from the Hosston Zone, in any well drilled on the identical units for these formations in which the interests in such units are identical.
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

Honorable James H. Welsh
August 25, 2006
Page 2

The Hosston Zone in the Logansport Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 28-S, effective April 21, 1970.

The Cotton Valley Formation, Reservoir A, in the Logansport Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 28-W-1, effective October 15, 1982.

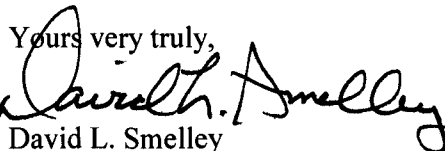
Any pertinent data concerning this application will be available for inspection at the offices of Peoples Energy Production-Texas, L.P., 1301 McKinney, Suite 3200, Houston, Texas 77010. Any person wishing to inspect any such data should call Mr. Bradley J. Rome at (713) 890-3652 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the attached plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Logansport Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,


-- David L. Smelley
Attorney for Peoples Energy Production-Texas, L.P.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Bradley J. Rome (w/encls.)
Mr. Craig Barclay (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)

